

## Edexcel GCSE in Business – Unit 2 Controlled Assessment Record Sheet

Qualification title	Tick (✓) chosen qualification title
GCSE in Business Studies (2BS01)	
GCSE in Business Communications (2BC01)	
GCSE in Business Studies and Economics (2BE01)	✓
GCSE (Short Course) in Business Studies (3BS01)	

	Examination year: 2013
Centre name:	Centre number:
Candidate name:	Candidate number:

One task is to be chosen.

Controlled assessment - Unit 2: Investigating Small Business				
Task: <u>What is the most appropriate method for the business you have chosen to increase its profits?</u>				
Research	Present information/data	Analysis	Evaluation	TOTAL:
12 /12	8 /8	12 /12	8 /8	40 /40

Declaration of Authentication: I declare that the work submitted for the assessment has been carried out without assistance other than that which is acceptable under the scheme of assessment (unless indicated on the back of this mark record sheet).

Signed (teacher):	e: 30/4/13
Name of teacher:	
Signed (candidate):	e: 30/11/12

Please attach this sheet to the student's work before submitting it to the moderator.

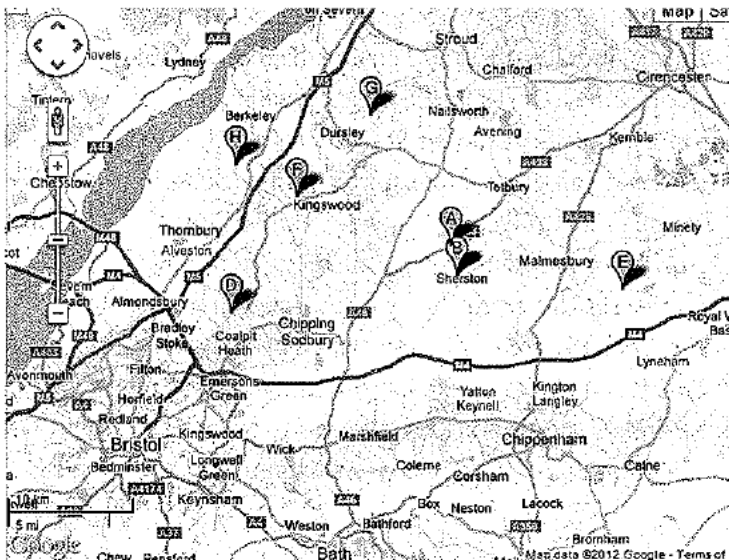
Every year, a few Controlled Assessment tasks are used for teaching and learning support activities. Any information which may identify a school, teacher or candidate is removed from the work before use.  
If you do not wish your work to be used for these activities, please tick here ☐

## Introduction to Woodland Kennels

Woodlane kennels is a family run kennels and cattery, established twenty three years ago and is located in Willesley near Tetbury. Woodlane kennels provide thirty individual sleeping areas for dogs with a bed, and dogs are walked once a day and fed twice a day. The cats also have individual sleeping areas and are fed twice a day.

## Competitors

### Opening times



Monday - 8am till 18:00

Tuesday - 8am till 18:00

Wednesday - 8am till 18:00

Thursday - 8am till 18:00

Friday - 8am till 18:00

Saturday - 8am till 18:00

Sunday - 9am till 16:00

A) Woodlane kennels

B) Pyke kennels

D) Elm farm kennels

E) Brinkworth kennels

F) Huntington kennels

G) Hydegate kennels

H) Lower stone kennels

## Business theory

Profits arrive when revenue (sales revenue, turnover, sales turnover) is greater than total costs. So for a profit to increase either revenue has to increase or total costs has to decrease. However, increasing revenue normally causes an increase in total costs, so for the increase in revenue to be efficient and increase profits, the increase in revenue must be greater than the increase in total costs. The other way to increase profits is to decrease total costs. Total costs can be decreased by a decrease in fixed or variable costs (because total costs = fixed costs + variable costs). Variable costs are cost that change directly with the number of products or services produced by the business such as raw material costs. Fixed cost are costs that do not vary with the output produced such as rent or salaries. I will explain four factors of how Woodlane kennels could increase profits, by either decreasing total costs or increasing revenue. **I**

## Importance of profits

**I** Making a profit is essential to Woodlane kennels because if they make a loss (which occurs when revenues are lower than total costs over a period of time) they may be forced to close. This is because if the business makes a loss (and not a profit) it may struggle to pay its fixed or variable costs, for example they may not be able to pay their rent. As a result the building will be taken away from them therefore they will not be able to provide any services at all therefore they will not have any revenue and they will be forced to close. In addition if a business makes a loss, it may be forced to go overdrawn in order to pay some of its total costs that keep the business running. Being overdrawn is when a business is forced to spend money it doesn't have to pay costs to suppliers, they borrow money from the bank but there are high interest rates on this borrowed money which lead to higher costs and potentially greater losses, which could again cause the business to close. To conclude if the business does not make a profit and makes a loss it will be forced to close. I will ensure Woodlane Kennels is profitable by increasing sources of revenue, increasing marketing efficiency, expanding the business capacity and decreasing total costs by sourcing lower priced suppliers. **I**

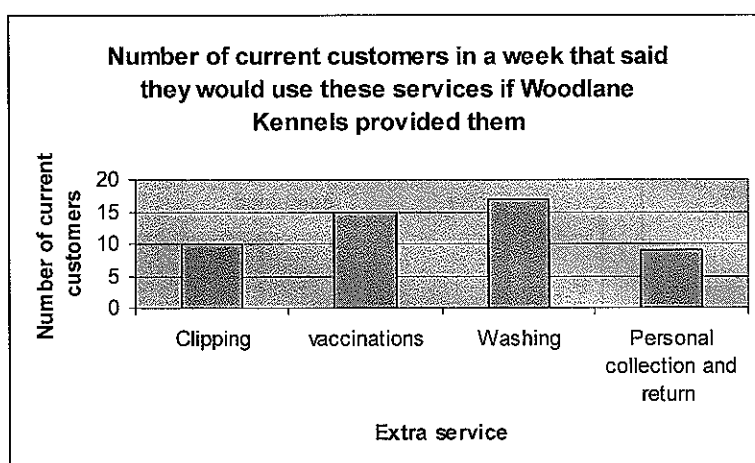
## Factor 1 : Increasing sources of revenue

**F** The first way Woodlane kennels could increase profits is to increase their sources of revenue (also called diversifying) as this would increase revenue therefore increase profits as well. I have conducted a nationwide survey in which I found the four most used dog services. The results showed that clipping, washing, vaccinations and personal collection and delivery services were the four most used by dog owners at kennels. This is important as Woodlane kennels could follow these other kennels and provide these four extra services. By providing these services and increasing sources of revenue Woodlane kennels would attract more customers and therefore customer sales would increase and therefore revenue would increase causing profits to increase. It will not only increase customer numbers but it will also increase the amount each current customer spends, as if a business that you already use provides a service you are likely to use it, **J**

especially as having your dog clipped, washed and vaccinated while in boarding kennels is more convenient for the customer than making several different journeys to other businesses. J

UoR I have conducted a survey (see appendices 5 for example of survey) in which I asked current customers of Woodlane kennels whether they would use these extra services if Woodlane kennels provided them. The graph shows that 10 current customers would use the clipping service a week if Woodlane kennels provided it, and with the national average price for clipping at £30, Woodlane kennels could increase its revenue by £300 a week just from current customers. My primary data shows that if Woodlane kennels provided all four of these extra services it could increase its revenue by £1700 a week. S Con

<u>Extra service</u>	Number of current customers that would use service	Average National price for service £	Extra revenue from extra service per week £
Clipping	10	30	300
Washing	17	25	425
Vaccinations	15	50	750
Personal collection and return	9	25 (within 10 mile radius)	225
TOTALS			1700



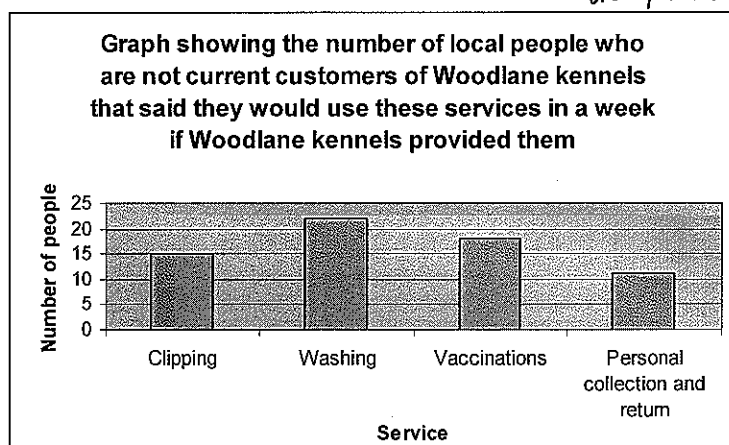
J Furthermore, by providing these extra services Woodlane kennels will be able to increase its revenue from other local residents that don't currently use Woodlane kennels services as by R providing these services Woodlane kennels can attract a new and different target market. This is R because Woodlane kennels will be able to attract customers that usually take their dogs on holiday

(therefore don't use current boarding kennel service) but are willing to pay and use these extra services that every dog needs. I have produced a questionnaire<sup>UoR</sup> (see appendices 5) in which I asked local dog owners (that don't currently use Woodlane kennels) whether they would use these four extra services if Woodlane kennels provided them. The table and graph below shows that Woodlane kennels could increase its revenue from new customers by £2,175 a week. This proves that<sup>SCon</sup> increasing its sources of revenue and appealing to a different target market, for example people who don't current use boarding kennel service, is an important way of increasing profits. <sup>SCon</sup>

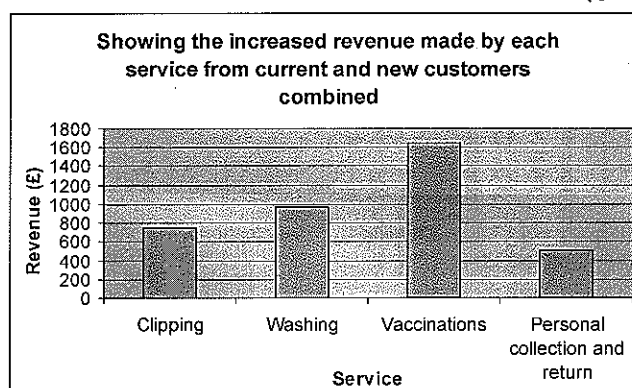
Extra service	Number of people (who are not current customers) who would use the new services.	Average National price for service £	Extra revenue from extra service per week £
Clipping	15	30	450
Washing	22	25	550
Vaccinations	18	50	900
Personal collection and return	11	25 (within 10 mile radius)	275
TOTALS			2,175

UoR/PID

UoR/PID



UoR/PID



<sup>I</sup> In addition, by providing these extra and new services it may increase revenue of current services (boarding kennel). This is because as customers use these extra services (clipping) they may be<sup>J</sup> drawn into using the boarding kennel and shop services as well and therefore this would increase revenue which would cause an increase in profits. <sup>SCon</sup>

*Conc* Overall, increasing sources of revenue will increase the amount current customers spend and therefore increase revenue and profit. Also it will attract a new market of people to the business and therefore increase revenue and profits further. However in evaluation, increasing sources of revenue will cause an increase in total costs, therefore Woodlane kennels would need to ensure *Conc* that its increase in revenue from increasing sources of revenue is greater than its increase in total costs in order for this to be an appropriate and efficient factor.

*I* I did have some contradicted research which suggested different average national prices for the services which suggested they were lower. Therefore this could mean profits could be lower than estimated. *Conc* In addition I conducted a follow up survey asking local dog owners whether they would use services if Woodlane kennels provided them the following week and the research I got contradicted the numbers and research I took the following week. So in order to say these estimated profits are accurate I would need to conduct a number of surveys over the whole year and take an average number of people that would be willing to use the services. *Conc*

## *F* **Factor 2 : sourcing lower priced suppliers**

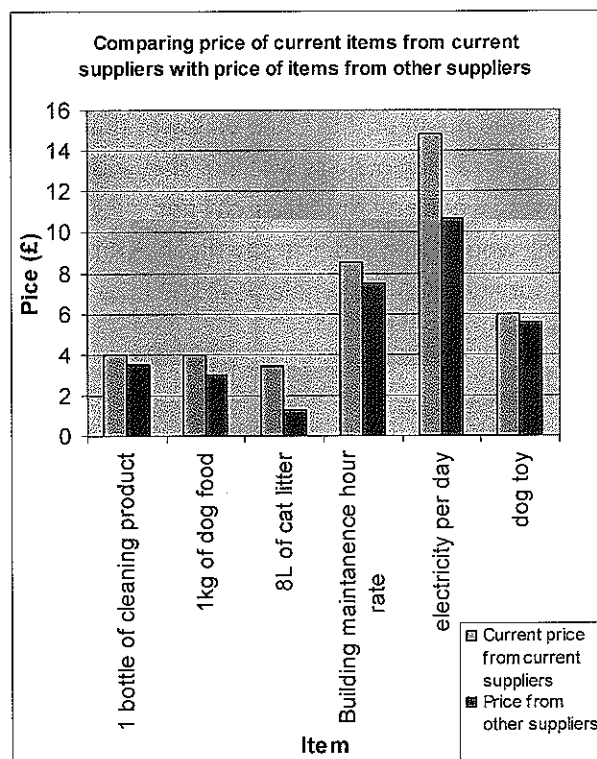
My second way of increasing profits for Woodlane kennels is to decrease variable costs and therefore decrease total costs by sourcing lower priced suppliers that offer the appropriate stock need for the kennels.

*UoR / PID*

New and better stockist	Item	Current Price paying	Other suppliers offering	Saving
<a href="http://www.pet-supermarket.co.uk">www.pet-supermarket.co.uk</a> (Appendices 1)	1 bottle of cleaning product	£3.99	£3.49	£0.50
<a href="http://www.pet-supermarket.co.uk/Category/Dog_Supplies-Dog_Food">http://www.pet-supermarket.co.uk/Category/Dog_Supplies-Dog_Food</a>	1kg of dog food	£4	£3.01	£0.99
<a href="http://www.mysupermarket.co.uk/#/grocery-categories/cat_litter_in_sainsburys.html">http://www.mysupermarket.co.uk/#/grocery-categories/cat_litter_in_sainsburys.html</a>	8L of cat litter	£3.45	£1.28	£2.17
Local handyman – leaflet	Building maintenance hour rate	£8.50	£7.50	£1.00
<a href="https://www.moneysupermarket.com/gas-and-electricity/results/index/12111724-">https://www.moneysupermarket.com/gas-and-electricity/results/index/12111724-</a>	Electricity per day	£14.8	£10.70	£4.10

UoR/PID

583a-b423-e032-68e33b12e1d7				
<a href="http://www.petplanet.co.uk/category.asp?dept_id=1436">http://www.petplanet.co.uk/category.asp?dept_id=1436</a>	Dog toy	£6	£5.59	£0.41



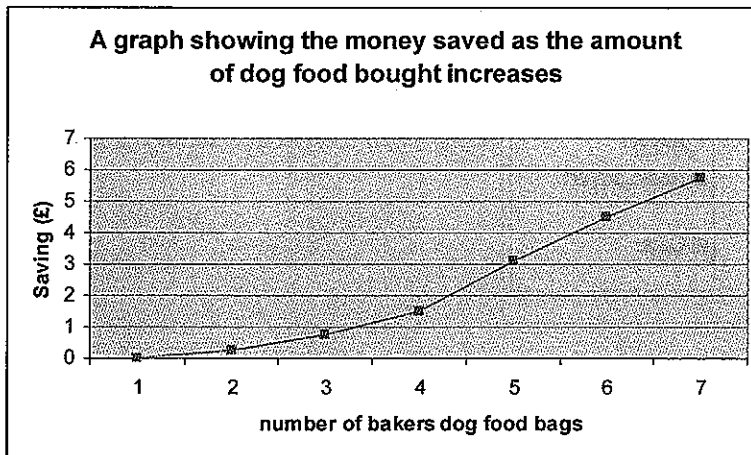
UoR/PID

UoR So instead of accepting the first price the first supplier offers, (like it does at present) Woodlane kennels should ask several different suppliers and get them to bid against each other to see which supplier offers the lowest price and then accept the supplier with the lowest price. This will decrease variable costs like costs of food) which decreases total costs which increases profits. Currently Woodlane kennels pay £40.74 on stock (as shown in graph and table above and appendices 4). However by changing suppliers to lower priced suppliers that I have sourced Woodlane kennels could pay a lower price of £31.57. This is a decrease in variable and total costs of £9.17 a week. This results in a reduction of variable costs of £3347.05 a year which would see profits increase by £3347.05 a year which is a 12.39 % increase on current profits. Alternatively, Woodlane kennels could decide to carry this reduction in total costs on to the consumer in the form of lowering the prices. This would cause an increase in customer sales and therefore an increase in revenue and therefore an increase in profits.

Another consideration is whether the suppliers offer lower prices for bulk purchase of stock. Currently, Woodlane kennels suppliers doesn't offer any reduction in price with bulk purchases (see appendices 2). However if Woodlane kennels were to change suppliers to the one I have research

they could reduce variable costs as this supplier does offer a reduction in price with bulk offers therefore variable costs would be reduced and so would total costs therefore profits would increase.

PID The graph below shows prices of bulk purchases of dog food from this new supplier. It shows that as one bag of dog food is bought there is no discount or saving however as 7 bags are bought the price reduces by £5.75. So if Woodlane kennels changed suppliers and bought all seven bags that it uses in a week in one purchase (and not in seven different purchases like they do at present) it could reduce its variable costs by £299 a year. Which would increase profits by £299 a year and therefore is an important factor.



I Why is buying from the lowest priced supplier important you may ask? It is important that Woodlane kennels buys the stock for the lowest possible priced supplier because it means its profit margin (difference between price stock bought for and price stock sold for) will increase without having to increase prices and therefore customer numbers will stay the same but revenue will increase and therefore profits will increase. Also lower priced suppliers will help decrease variable costs which will decrease total costs which will increase profits. However on evaluation it is crucial that changing supplier and buying cheaper stock doesn't decrease quality of stock as this will cause a decrease in customer sales which will cause a decrease in revenue and therefore profits could fall.

### F Factor 3 – Increasing marketing efficiency

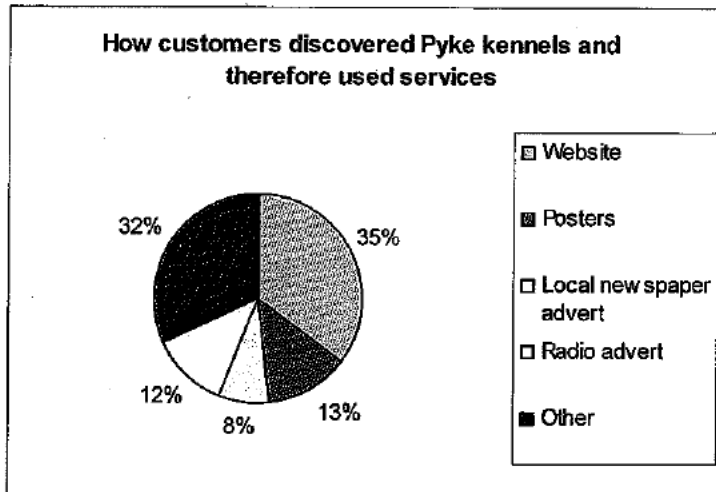
My third way Woodlane kennels could increase profits is to increase marketing efficiency. Marketing is only efficient if the increase in revenue the marketing brings is greater than the total costs of the marketing. Currently Woodlane kennels only advertises in the local newspaper, and only 2% of Woodlane kennels' new customers last year said they were attracted to the business by this advert. Total costs of advert =  $(12 \times 195 = 2340)$  and increase in revenue due to marketing (2% of 98000 = 1960). Therefore their current marketing is not efficient as the total costs of marketing are greater than the increase in revenue caused by marketing. In fact they make a loss of £380 a year.

Other kennels marketing programmes are more efficient as their marketing costs are lower than the increase in revenue the marketing causes.



UoR / PID

UoR / PID



Marketing suggestion	Cost per year
Website and designer	£1200
Posters	£1000
Radio advert	£800

The pie chart above shows how customers at Pyke kennels (a local competitor) found out about their business and therefore decided to use it. It shows that 60% of new customers at Pyke kennels were attracted to the business as a result of website, posters or radio advert. So if Woodlane kennels were to use this same marketing programme and stop its current local newspaper advert it could potentially increase its customer numbers by 60% and therefore increase its revenue by 60% and therefore increase profits. *SCoNC*

- Cost of website, poster and radio advert = £3000
- Total cost of increasing customer numbers by 60% (£71000 (current total costs) x 0.6 = £42600
- Increased total costs by £45600

This may seem like a lot to increase total costs by but don't forget revenue will also increase by 60% which as an increase of £58800 (£98000 (current revenue) x 0.6) = £58800 per year. AS a result of increasing marketing efficiency to be like Pyke kennels Woodlane kennels could increase profits by £13,200 (increase in revenue - increase in total costs) (58800 - 45600). *Supp*

To conclude, increasing Woodlane kennels marketing efficiency is to a degree important because if the costs of the marketing is greater than the increase in revenue the marketing is creating (like at UoR / Supp present) then there is no point in doing any marketing as it is simply making you a loss. In addition, increasing marketing efficiency can result in vast increase in profits because with more people knowing about the business and your associated services then the more customers that are likely to come and therefore revenues will increase and therefore profits will increase. The most important issue is to find the cheapest way of advertising to the maximum number of people.

I had similarities in my marketing research as I asked other local kennels what their marketing programme was and it was the same as Pyke kennels therefore reinforcing this is the most efficient marketing programme for the local area.

#### Factor 4 : Expansion of the business capacity

The last factor of increasing profits at Woodlane kennels is to expand the business capacity by increasing the building size and therefore increasing kennels available. Also Woodlane kennels should increase the size of the shop while expanding their business capacity. The increase in size of shop will mean Woodlane kennels will be able to stock a greater range of products and this will therefore increase the customer numbers of people attracted to the business and therefore this is likely to increase the revenue of the business. Also increasing the number of kennels available will mean the kennels can accommodate more dogs and therefore Woodlane kennels will not have to turn any customers away due to lack of space. Currently, Woodlane kennels as only expanded the business by adding two extra kennels. However my research shows that that if they were to increase the size of their business building by thirty per cent they would be not have to turn down any customers. Looking at the graph in appendices 3, I can calculate that as a result of not having to turn any customers away Woodlane kennels could increase revenue by £770 every five years (70 x 11) (number of sales lost in last five years due to lack of space x revenue made by each customer). This could lead to an increase in profit. However a local builder quoted that the thirty per cent increase in building size would cost £2500. Therefore a large investment would be need with a payback time of over 15 years.

In addition expanding the business capacity would avoid the loss of repeat purchase. This is because if the building of business is expanded they will never need to turn customers away and therefore customers will never have be frustrated by the business and therefore will never leave to swap to another business. This is because if a customer is turned away they are likely to swap to another kennels permanently. As a result it is not just one sale being lost but many in the future and therefore a large amount of revenue would be lost if the business didn't expand its buildings.

To conclude, expanding the business could cause revenue to increase and therefore profits could increase. However, it may not be the most efficient way to increase profits in the short term as there is a large initial investment needed with a long payback time.

I had similarities in research as I asked three different local builders to quote a price of the building work and they all quoted the same price of £2500 for the work.

## Evaluation – Ranking method

- F 4** - The least important factor to increase profits at Woodlane kennels is expansion of the business; this is because although this factor would increase revenue it would cause the greatest increase in total costs as a result. Therefore the previously suggested profits would be sharply reduced. This factor requires a large initial cost as in investment into the business in order to build the extension of the building and this would have a long payback time and therefore is not appropriate for Woodlane kennels. Also increasing the size of the building also causes variable costs to increase as heating and electricity costs would increase. The increase in revenue due to expanding the business capacity would be £770 every five years but the increase in variable costs and therefore total costs would be £800 every five years. Therefore this factor is not the most appropriate as it would cause the business to make a loss (as increase in revenue is smaller than increase in total costs) therefore this factor would actually decrease profits. In addition one of Woodlane kennels' unique selling points (USP) is that they are small family run business. So if they were to expand they would lose this USP and therefore may lose customers and therefore customer sales would decrease and therefore revenue and profits may decrease. Furthermore although previously suggested that increase capacity of the business would avoid the loss of repeat purchase as they would not have to turn customers away, I feel this point is irrelevant as if a customer is turned away due to lack of space it shows to the customer that the business is popular and sought after so this means the customer will stick to this kennels and just book earlier next time. The last reason for expansion of business capacity being the least appropriate factor is because its estimated profits were the least out of all four factors. However future research into whether the number of customers being turned away stay the same would need to be completed to ensure that no large amount of revenue are being lost.
- F 3** – Increasing sources of revenue is only ranked third most appropriate factor due to the fact that although it increases revenue by the greatest it also causes the greatest increase in total costs and therefore profits are compromised. The estimated revenue increase was £3,875 a week however the total costs increase was £3700 and therefore profits would only increase by £175 a week and therefore it is not the most appropriate. This has not taken into consideration the initial costs and investment into building areas for where these services can take place. In addition another reason for this factor being ranked third is because it is strongly dependent on the customers actually wanting to use the service and customer numbers can vary and can be unpredictable. Therefore the estimated profits are also possibly unpredictable and unreliable. Therefore a limitation in my research was that the people asked about whether they would use the service only had to give a verbal and weak answer and not actually commit to using the service therefore predicting customer numbers and therefore estimated increase profits is hard. For more concrete research Woodlane kennels should actually provide the service for a short period and see what the customer numbers are like and therefore profits can be estimated accurately.
- F 2** - Increasing marketing efficiency is ranked second most appropriate due to the fact that it is very important that people know about your business as if no one knows about the services you are

R providing no one is likely to come and spend money and therefore profits would be extremely limited. Also this factor is considered a low risk factor as the investment of £3000 a year to improve marketing efficiency is a relatively small investment in comparison with the £13,200 increase in profits. The more efficient marketing programme is important not only to increase revenue but also stop current losses of marketing which both contribute to increasing profit by £13,200 a year. However the reason for this not being the most appropriate factor is because its estimated profits are purely based on the data of another kennels (Pyke kennels) and therefore are not representative of Woodlane kennels. Also this factor is again strongly dependent on the customers actually responding to the advertising and using the services. Both these points make the estimated profits possibly inaccurate and unreliable. J

F 1 – So the most appropriate factor for increasing profits at Woodlane kennels is to source lower priced suppliers. This is because it is lowest risk factor as it involves no financial investment and therefore is considered low risk as there is no possible way that this factor can cause a loss in the business or decrease in profits (providing quality of service stays the same). So, this is the only factor which doesn't cause an increase in variable costs and therefore total costs which means it is the safest business factor to pursue. However the only disadvantage of this factor is that it can be time consuming researching and sourcing new suppliers and therefore the only cost may be an increase in wages. On the other hand the last reason I think this is the most appropriate factor is because it is the only factor which doesn't rely on customers to increase profits and therefore the estimated profit increase is realistic and accurate to follow and therefore this is the most appropriate factor for Woodlane kennels are present. J

### Conclusion

To conclude, I have recommended four factors in which Woodlane kennels can increase profits by either decreasing total costs or increasing revenue. However, the most appropriate factor is not necessarily the factor that increases revenue or decreases total costs the most. I believe it is the factor which increases revenue the most while managing to reduce total costs increase the most or the factor which decrease total costs the most while managing to limit any decrease in revenue the most. Therefore increasing profit the most. However I have also concluded that the potential risk the factor poses to the business is also important. So minimising the investment needed reduces risk as less money can be lost if any problems occur. So overall the most appropriate factor for increasing profit at Woodlane kennels is to source lower priced suppliers. J

Research: Level 5 – 12 marks  
P I D: Level 5 – 8 marks  
Analysis: Level 5 – 12 marks  
Evaluation: Level 5 – 8 marks

TOTAL = 40 marks

An answer which directly addresses the question in a thorough, methodical and intelligent way. There is meticulous attention to detail; analysis and evaluation.

## **Bibliography**

### **Primary data**

UoR

1. Creating and completing a questionnaire completed by Gill Butler (owner of business)
2. Local survey completed by 100 dog owners within a 10 mile radius who aren't current customers of woodlane kennels asking whether they would use woodlane kennels if they provided more services.

### **Secondary**

1. <http://www.washingdogs.co.uk/price.html> - average national price of washing dogs
2. <http://prettypawsvork.co.uk/prices.html> - average national price of clipping dogs
3. <http://www.ivet.co.uk/veterinary/dog-vaccinations/> - average national price of vaccinations
4. [http://www.petplanet.co.uk/category.asp?dept\\_id=1436](http://www.petplanet.co.uk/category.asp?dept_id=1436) - lowest price for dog toy
5. <https://www.moneysupermarket.com/gas-and-electricity/results/index/12111724-583a-b423-e032-68e33b12e1d7> - lowest price for electricity for woodlane kennels
6. [http://www.mysupermarket.co.uk/#/grocery-categories/cat\\_litter\\_in\\_sainsburys.html](http://www.mysupermarket.co.uk/#/grocery-categories/cat_litter_in_sainsburys.html) - lowest price for 8L of cat litter
7. [http://www.pet-supermarket.co.uk/Category/Dog\\_Supplies-Dog\\_Food](http://www.pet-supermarket.co.uk/Category/Dog_Supplies-Dog_Food) - lowest price for 1kg of dog food
8. [www.pet-supermarket.co.uk](http://www.pet-supermarket.co.uk) - lowest price for cleaning product
9. Business leaflet from Woodlane kennels - giving information on how long been established and the current boarding kennel services for dogs and cats.

UoR

## Appendices 1 – more information on the best electricity tariff for Woodlane kennels

<https://www.moneysupermarket.com/gas-and-electricity/results/index/12111724-583a-b423-e032-68e33b12e1d7>

UoR / PID

Age UK Fixed 1 Year v2	<b>e-on</b>	new	£1,173.37	£4,226.83	1.4%	Apply Online
<input checked="" type="checkbox"/> No cancellation fees <input checked="" type="checkbox"/> Online account management Only available to <b>Residence</b>						
Fixed 1 year with Tesco Clubcard points v2	<b>e-on</b>	new	£1,162.87	£4,237.13	1.4%	Apply Online
<input checked="" type="checkbox"/> Loyalty Rewards available <input checked="" type="checkbox"/> Select online billing and receive extra rewards <input checked="" type="checkbox"/> Tesco Clubcard Points This tariff is <b>Residence</b>						
Fixed 1 year with Rewards v2	<b>e-on</b>	new	£1,162.87	£4,237.13	1.4%	Apply Online
<input checked="" type="checkbox"/> Loyalty Rewards available <input checked="" type="checkbox"/> Select online billing and receive extra rewards This tariff is <b>Residence</b>						
Energy Online April 2014	<b>EDP ENERGY</b>	new	£1,152.03	£4,247.97	6%	Apply Online
<input checked="" type="checkbox"/> Online account management <input checked="" type="checkbox"/> Paperless billing						

Tariff name	Energy provider	Yearly savings	Annual bill Unit Price	% Green Energy	Apply Online
Energy Discount with Tesco Clubcard points	<b>e-on</b>	new £1,475.03	£3,924.98	1.4%	Apply Online
<input checked="" type="checkbox"/> Tesco Clubcard points <input checked="" type="checkbox"/> Loyalty Rewards available <input checked="" type="checkbox"/> Select online billing and receive extra rewards 3% discount to ... <b>Residence</b>					
Energy Discount with Rewards	<b>e-on</b>	new £1,475.03	£3,924.98	1.4%	Apply Online
<input checked="" type="checkbox"/> Loyalty Rewards available <input checked="" type="checkbox"/> Select online billing and receive extra rewards 3% discount to ... <b>Residence</b>					
Pioneers	<b>The cooperative energy</b>	new £1,371.57	£4,028.43	100%	Apply Online
<input checked="" type="checkbox"/> 100% renewable Best Energy ... <b>Residence</b>					
Energy Plan	<b>e-on</b>	new £1,355.78	£4,044.22	1.4%	Apply Online

## Appendices 2 – research instrument

Appendices 3 – graph showing the relationship between number of dogs turned away and revenue lost over the last five years.

## Appendices 4 – business leaflet

Appendices 5 – survey of local dog owners (who are not current customers of Woodlane kennels) asking whether they would use services if Woodlane kennels provided them.

## Appendices 2

### Business research instrument

UoR

Hello, my name is \_\_\_\_\_ and I need analyse a small business and suggest ways it could increase profits for by GCSE business coursework. All information will be kept confidential and I greatly appreciate your help in answering the following questions.

How long have you been established?

..... 23 years .....

What is your revenue?

..... 98,000 last year .....

What are your main sources of revenue? How much does each make?

1. Boarding kennels - 98,000
- 2.
- 3.
- 4.

How much is your total costs?

..... 71,000 .....

What are your main costs? How much is each one?

(vets trips/heating/water/food/walks/cleaning/petrol/advertising)

- |                |           |
|----------------|-----------|
| 1) Wages       | Telephone |
| 2) Electric    | Cleaning  |
| 3) Advertising | Food      |
| 4) Vets        | Water     |

What accessories do you provide?

(toys/ high quality food)

..... food, bedding, toys, exercise .....

How many employees do you have?

..... 2 .....

How much do employees earn per hour?

..... 10 .....

What extra services could you provide?

(washing / clipping/ vets/ vaccinations?

..... Do not provide any at present ..... could provide all.

How much is it for a dog / cat?

..... dog - £11 .....  
..... cat - £7 .....

How could you expand?

... Build more kennels and shop expansion ..... - 30 dogs at present  
..... 20 cats at present

What is your mark up?

..... £3 for dog is cost £11 is charged - £8 .....  
..... £2 for cat is cost £7 is charged - £5

What services could make you a higher quality kennels?

... heated beds, softer beds, higher quality food .....

How many customers have you had to turn away due to lack of capacity of the business in the last five years?

..... 2007 - 18 ..... 2008 - 10 ..... 2009 - 10 ..... 2010 - 12 .....  
..... 2011 - 20 ..... in total 70 dogs .....

Do you get any reduced prices on bulk purchases with your current supplier?

..... No .....

What prices do you currently pay for the following from your current supplier?

1 bottle of cleaning product - 3.99

1kg of bakers dog food - £4

8L of cat litter - £3.45

Building maintenance work for 1 hour - £8.50

Electricity per day - £14.8

Dog toy - £6



What does your marketing programme consist of currently and how much does this cost?

..Advert in local newspaper every month costing £195 a month which is £2340 a year.

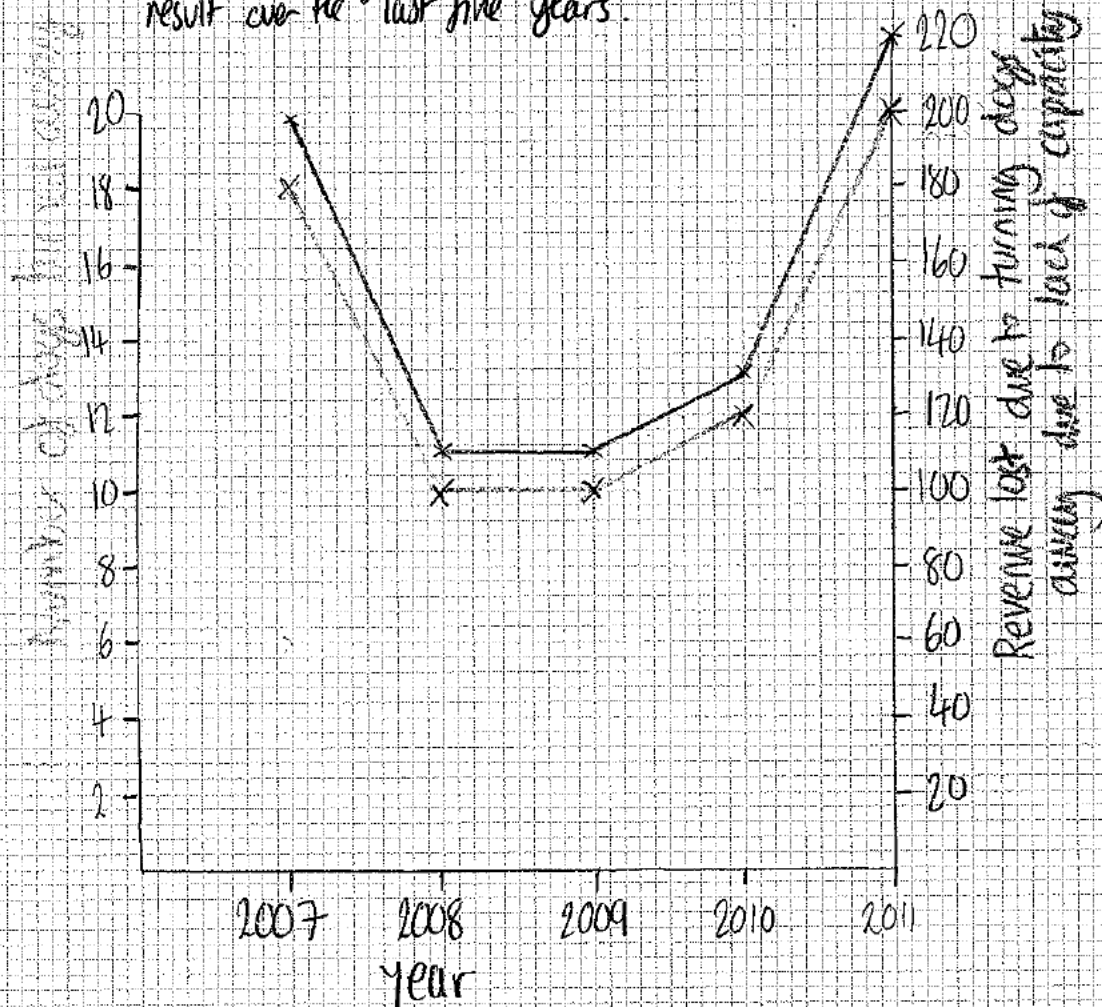
Thank you very much for your time. Would it be possible to organise another date to meet in case I have any further questions?

Thanks again.

# Appendices 3

UOR/PID

A graph showing the relationship between number of days turned away due to lack of capacity and the revenue lost as a result over the last five years.



# Appendices 4

## BOARDING FEES FROM APRIL 2010

DOGS: £11.00 PER DAY PLUS VAT

CATS: £7.00 PER DAY PLUS VAT

SMALL ANIMALS: £5.00 PER DAY PLUS VAT

Boarding fees are payable in full at time of collection.  
There are no credit card or credit services available.  
Payment by cheque or cash only. (Any cheques for an amount less than £25.00 will be liable to a 50p charge).

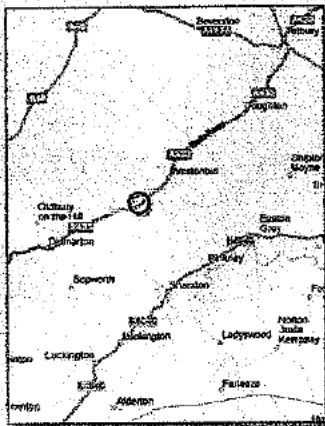
The right is reserved to charge the full boarding fee for the entire period booked if an animal does not appear or is uncollected prior to the date arranged or, if the booking is cancelled with less than 14 clear days notice.

Any booking will be charged a minimum 1 day board.

A 10% discount is given on 2 or more animals from the same owner sharing the same single unit / kennel or on stays of 21 days or longer.

## WOODLANE KENNELS & CATTERY

How to get here...



## WOODLANE KENNELS & CATTERY

Bath Road, Wiltshire,  
Near Tisbury, Glos GL6 8QX

Tel: 01666 880314

Email: woodlane3@btinternet.com

Proprietors: Mrs G. Butler  
& Mrs V. Glew

ESTABLISHED  
20 YEARS

Woodlane Kennels has been established in Wiltshire since 1989 by Gill Butler, Veterinary Nurse.

Built and maintained by her father and brother, and run by herself, her mother Joan and family friend, Mandy, the kennels has always been a family concern with a friendly and caring philosophy.

The kennels can cater for up to 12 dogs at any one time with each unit having a raised sleeping area, window and access to an outside run. Large artificial bushes provide maximum privacy throughout the year and each dog is provided with a clean material vest to ensure the dog's hygiene.

The dogs are walked daily and encouraged to play in the neighbouring fields with the help of a local sports ground. The dogs are also given a healthy diet and can be fed on their own or mixed with other dogs.

We have a fully equipped veterinary room and can offer a wide range of services, including vaccinations, blood tests, and more.



### Opening Hours

We are open from 9am to 5pm daily excluding Christmas Day, Boxing Day and New Years Day with collection / delivery / viewing anytime between those hours.

UOR / P ID

## Appendices 5

Which services would you be willing to pay for and use if Woodlane kennels provided them? (please tick)

Clipping (£30) ☐

Washing (£25) ☐

UoR

Vaccination (£50) ☐

Personal Collection and delivery (£25) ☐

## Numerical Research

### Increasing sources of revenue –

- increasing potential profits by 3,875 a year

UoR

Competitive suppliers – presently pay £40.74 for stock a week

Could pay £31.57 a week

Resulting in £3347.05 reduction in variable costs – 12.39% increase current profits

Bulk buying reduce costs by £5.75 a week - £299 a year

Increasing marketing efficiency – advert –  $12 \times 195 = £2340$

Extra revenue – 2% of 98000 = 1960

Loss of 380

cost website, poster and radio advert = £3000

total cost increasing number customers  $60\% (£71,000 \text{ (current total costs)} \times 0.6) = £42600.$

increased total costs £45600

60% - increase of £58800 (98,000 (current revenue)  $\times 0.6$ ) of revenue per year.

increase profit £13,200 ( Increase in revenue – increase in costs) (58800- 45600)

GCSE Business Studies - Unit 5BS02  
Controlled Assessment Research Log

Date	Time [started]	Time [finished]	What you did [be specific]	What you need to do next
14/11/12	11:00	12:30	I used my research instrument to ask the owner of the business questions about the business. They included total costs, revenue of the business, the services provided and the price of individual stock items bought from suppliers.	I would need to conduct a similar questionnaire to other local kennels and draw comparisons.
16/11/12	16:00	16:30	I researched on the internet to find the lowest priced supplies offering products that Woodlane kennels buy from its current suppliers. For example I found the supplier offering the lowest priced for a kg of babies dog food.	I would need to ensure this is definitely the lowest possible price the supplier could offer.
17/11/12	18:00	18:45	I conducted primary research where I completed a local survey asking local dog owners whether they would use services if woodlane kennels provided them.	I would need to conduct another survey asking how frequently they would use them.
21/11/12	17:15	17:30	Used primary research of asking local kennels why they kennels about their marketing programme and worked how efficient their marketing was. Asked about costs of marketing.	I would need to ask how long this marketing programme had been going on for.
22/11/12	18:05	19:05	Searched on the internet for national average prices charged by kennels on providing services of clipping, washing, vaccinations, and delivery and collection.	look at local average price to see if similar.
24/11/12	19:00	20:00	Asked current customers of woodlane kennels whether they would use extra services of clipping, washing, vaccinations and delivery and collection if woodlane kennels provided them.	Ask how often they would use them.

This form must be handwritten and the completed form submitted with the final task write-up